REMARKS

Claims 8-21 are pending in the application. In the Office Action mailed January 29, 2007, the Examiner: (i) rejected claims 8-19 and 21 under 35 U.S.C. § 103(a) as being unpatentable over the publication "Performance Study of a Selective Encryption Scheme for the Security of Networked, Real-Time Video," by Spanos et al. ("Spanos"), the publication "Applied Cryptography," by Schneier ("Schneier"), in view of U.S. Patent No. 5,915,018 to Aucsmith ("Aucsmith") and U.S. Patent No. 5,875,303 to Huizer et al. ("Huizer"), and (ii) rejected claim 20 under 35 U.S.C. § 103(a) as being unpatentable over the Spanos, Schneier, in view of Aucsmith and Huizer, as applied in claims 8-19 and 21, and further in view of U.S. Patent No. 6,011,761 to Inoue ("Inoue"). By this amendment, claims 8, 9, 10, 12-15, 20, and 21 have been amended and new claims 27-29 have been added. In view of the amendments and following remarks, applicants respectfully traverse the rejections.

Rejection of Claims 8-19 and 21 under 35 U.S.C. § 103(a)

Claims 8-19 and 21 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Spanos, Schneier, in view of Aucsmith and Huizer.

In the Office Action, the Examiner acknowledged that Spanos and Schneier do not disclose expressly the control arrangement that contains a rule or rule set associated with governance of at least one sub-stream or object, as required by claim 8. However, the Examiner asserted that Aucsmith teaches such a limitation. Applicants respectfully disagree with the Examiner's assertion. However, to expedite examination, applicants have amended independent claim 8 to further clarify the invention.

The passages col. 3, lines 22-28, col. 4, lines 26-30, and col. 6, lines 22-30 in

Aucsmith specify that the rules are on the <u>DVD disc</u>. By contrast, amended claim 8 recites that "<u>a control arrangement</u> including ... a rule or rule set <u>governing at least one aspect of usage of</u> at least one sub-stream or object, <u>wherein the rule or rule set includes at least one rule stored in an internal and non-volatile memory of the player." In short, Aucsmith fails to teach or disclose that at least one of the rules is stored in a player.</u>

Another passage, col. 5, lines 26-33, in Aucsmith specifies that the video controller may include a rule flag. The rule flag in Aucsmith, however, is only used to identify the capabilities and features of the video controller. Aucsmith, col. 5, lines 30-31. ("The rule flag identifies the capabilities and features of video controller 210."); See also Aucsmith, col. 7, lines 26-29. ("The rule flag may include fields that are reserved for features or capabilities to be introduced in video controllers of the future."). The capabilities and features of the video controller are compared to the requirements as specified in the rule set of the DVD disc to determine whether the video controller can comply with the rule set of the DVD disc. Aucsmith, col. 7, lines 45-53. In other words, in Aucsmith, the rule flag is used as identifiers of capabilities of a video controller, but is not for "governing at least one aspect of usage of at least one sub-stream or object," as recited in amended claim 8.

Huizer also fails to teach "<u>a control arrangement</u> including ... a rule or rule set governing at least one aspect of usage of at least one sub-stream or object, wherein the rule or rule set includes at least one rule stored in an internal and non-volatile memory of the player." Thus, claim 8 is patentable over the combination of Spanos, Schneier, in view of Aucsmith and Huizer.

Claims 9-19 and 21 ultimately depend from claim 8, and are thus patentable for at least the same reasons set forth above in connection with claim 8.

Rejection of Claim 20 under 35 U.S.C. § 103(a)

Claim 20 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Spanos, Schneier, in view of Aucsmith and Huizer, as applied in claims 8-19 and 21, and further in view of Inoue.

Inoue, which was cited for allegedly teaching that "the governed aspect includes use of at least one budget," also fails to teach "a rule or rule set governing at least one aspect of usage of at least one sub-stream or object, wherein the rule or rule set includes at least one rule stored in an internal and non-volatile memory of the player."

Thus, Inoue does not resolve the deficiency of Spanos, Schneier, in view of Aucsmith and Huizer. Claim 8 and its dependent claim 20 are patentable over Spanos, Schneier, in view of Aucsmith and Huizer, as applied in claims 8-19 and 21, and further in view of Inoue.

New Claims 27-29

New claim 27 depends from independent claim 8, new claim 28 depends from claim 27, and new claim 29 is an independent claim. New claims 27-29 require that the rule or rule set is configured to conditionally require viewing of information in at least one sub-stream in order to view information in another sub-stream. For example, the rule or rule set may require viewing of an advertisement if payment or other information has not been received. Aucsmith only generally discloses that rules or rule sets may be

used, but fails to disclose a "rule or rule set configured to conditionally require viewing of information in at least one sub-stream in order to view information in another sub-stream". The other cited references also fail to disclose this feature. Thus, new claims 27-29 are patentable over the cited references.

In view of the foregoing remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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Weiguo Chen

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